

**COUNTY DISABILITIES AND SPECIAL NEEDS BOARD
SUPPLEMENTARY SCHEDULE OF QUESTIONED COSTS
For the year ended June 30, _____**

Item Number: 2020-01

Program Charged: Administration

Grant/Contract Number: All SCDDSN grants

Amount in Question: \$ 1,250

Description of Charge: Non-consumer meals provided to staff at Christmas party.

Criteria: DDSN Directive 250-05-DD states that non-consumer meals are not allowable costs for award funds. Non-consumer meals are defined as meals consumed by parent, guests, and staff when staff attendance with the consumer is not programmatically mandatory.

Condition: During our testing of costs charged to the administration intermediate cost pool, we identified a charge to a caterer for providing a Christmas meal to certain staff in which no consumers were present.

Cause: Management was not aware of the limitations on allowable meal costs.

Effect: Non-allowable costs were charged to administration and allocated to programs overstating allowable administrative costs allocated.

Recommendation: Ensure that staff understand the allowable cost rules and either charge these costs to local funds or otherwise ensure that costs are not allocated to programs as allowable costs.

Management's Views and Corrective Action Plan: We have local funds that will be used to pay for these types of costs in the future. We will train our accounts payable staff to monitor charges such as this in the future.

COUNTY DISABILITIES AND SPECIAL NEEDS BOARD
SUPPLEMENTARY SCHEDULE OF QUESTIONED COSTS - CONTINUED
For the year ended June 30, _____

Item Number: 2020-02
Program Charged: Any Home CTH -II
Grant/Contract Number: Capitated 2020-00
Amount in Question: \$ 5,200
Description of Charge: Roof replacement charged to program costs.
Criteria: The Board's capitalization policy requires that this item be capitalized, but the Organization did not capitalize as required.
Condition: During our testing of capital asset additions, we detected an amount charged to building repairs that should have been identified by management as a capital asset, but was not.
Cause: Management did not fully understand the capitalization requirements and considered this an expense instead of an asset addition.
Effect: Costs are charged to expense that are not allowable. Costs of the asset are charged to expense instead of a half year of depreciation on this item.
Recommendation: Ensure management and staff understand the nuances of capitalization of repair and maintenance type items. Ensure that all charges to repairs and maintenance in excess of the capitalization limit are closely scrutinized for proper treatment and coding.
Management's Views and Corrective Action Plan: We will ensure our staff are aware of the capitalization policy and requirements of the Organization. The Finance Director will be instructed to review all charges to repairs and maintenance expense in excess of our capitalization limit for proper accounting treatment.